



Environmental Services Division

For Immediate Release

November 17, 2008

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LOW ENERGY PRICES DIRECT RESULT OF SLOW ECONOMY

DES MOINES— Fuel prices are continuing to follow the downward trend of the U.S. economy. “As long as our economy continues to struggle, we are likely to see low gasoline and other fuel prices,” said Tommi Makila, Iowa Department of Natural Resources (DNR) Energy Policy Analyst. “With fuel price trends following the overall market trends, this could also mean that when the U.S. and global economies strengthen again, energy prices will increase.”

Motor Fuels

The Nov. 17th average price of 10 percent ethanol blended mid-grade gasoline in Iowa was \$1.89 per gallon, which is 37 percent lower than the November 2007 price of \$3.01 per gallon of the same blend. The Nov. 17th average price for diesel in Iowa was \$2.80 per gallon, which is 18 percent lower than the November 2007 price of \$3.40.

Self-Serve	11/17/08	10/15/08	Difference
Regular Unleaded with 10% Ethanol	\$1.89	\$2.74	-\$0.85
Regular Unleaded	\$1.95	\$2.81	-\$0.86
Premium Unleaded	\$2.06	\$2.98	-\$0.92
Diesel	\$2.80	\$3.70	-\$0.90
Source: Oil Price Information Service, www.opisnet.com			

Crude Oil

On November 13th, a barrel of West Texas Cushing Sweet Crude Oil settled at \$58.24. The price is a 22 percent decrease over October's price of \$74.55 and 38 percent lower than the November 2007 price of \$94.14.

Heating Fuels

Heating fuel prices have followed the general downward trend in energy prices. “Natural gas, propane and heating oil are all below last year's price levels. This is definitely good news for Iowa consumers,” Makila said. According to the U.S. census estimate, 67 percent of Iowa households use natural gas to heat their homes. 15 percent use electricity, 14 percent propane, 1.5 percent wood, and 1.4 percent fuel oil.

Heating Fuel Type	11/14/08	10/15/08	Difference
Natural Gas*	6.31/MMbtu	6.71/MMbtu	-\$0.40/MMbtu
Propane**	\$1.87	\$2.09	-\$0.22
#2 Heating Oil***	\$2.46	\$3.37	-\$0.91

On November 14, natural gas was trading at \$6.31/MMBtu, which is \$1.91 lower than one year ago, a 23 percent decrease. The U.S. Department of Energy, Energy Information Administration reports that working natural gas in storage as of Nov. 7, 2008 was 3,467 billion cubic feet (Bcf), 117 Bcf above the 5-year average (2003-2007), and 72 Bcf below the level during the corresponding week last year.

A survey completed by the DNR on Nov. 17, 2008, indicated that the average retail price of propane in Iowa was \$1.87, which is \$0.03 lower than the price of propane at this time last year. The same survey found that heating oil is selling in Iowa for an average of \$2.46 per gallon across the state, which is \$0.62 lower than the price in November of last year, a 20 percent decrease.

For more information on fuel prices, visit: <http://www.energy.iowa.gov>